110TH CONGRESS
1ST SESSION

H. R. 3225

To require the Securities and Exchange Commission to improve the disclosure of fees and expenses of open-end investment companies registered under the Investment Company Act of 1940.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2007

Mr. CASTLE (for himself and Mr. MOORE of Kansas) introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To require the Securities and Exchange Commission to improve the disclosure of fees and expenses of open-end investment companies registered under the Investment Company Act of 1940.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Mutual Fund Fee Re-

5 form Act".

6 **SEC. 2. RULEMAKING ON FUND FEES REQUIRED.**

7 (a) INITIATION OF PROCEEDINGS.—Within 30 days

8 after the date of enactment of this Act, the Securities and

1 Exchange Commission shall initiate rulemaking pro-
2 ceedings to revise the requirements of regulations applica-
3 ble to open-end investment companies under the Invest-
4 ment Company Act of 1940 relating to the disclosure of
5 12b–1 fees to investors in such investment companies.

6 (b) COMPLETION DEADLINE.—The Commission
7 shall—

8 (1) complete the rulemaking proceeding re-
9 quired by this section and prescribe changes to the
10 Commission's rules that the Commission determines
11 to be necessary in the public interest and for the
12 protection of investors not later than 180 days after
13 the date of enactment of this Act; and

14 (2) make such changes effective one year after
15 the date the Commission prescribes the changes.

16 (c) DEFINITION.—For purposes of this section, the
17 term "12b–1 fees" means fees permitted under Rule 12b–
18 1 (17 CFR 270.12b–1) of the Securities and Exchange
19 Commission's rules pursuant to the Investment Company
20 Act of 1940 (15 U.S.C. 80a–1 et seq.).

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